

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

Case No. 17-BK-03283 (LTS)
(Jointly Administered)

**JOINDER OF MERRILL LYNCH, PIERCE, FENNER & SMITH INC. IN SUPPORT OF
JOINT OBJECTION OF UNDERWRITER DEFENDANTS TO
DEBTORS' MOTION FOR AN ORDER APPROVING DISCLOSURE STATEMENT**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Judge Laura Taylor Swain:

Merrill Lynch, Pierce, Fenner & Smith Inc. (“MLPF&S”), by and through its counsel, hereby submits this joinder (the “Joinder”) in support of the *Joint Objection of Underwriter Defendants to Debtors’ Motion for an Order Approving Disclosure Statement* (the “Objection”)² [Docket No. 16987 in Case No. 17-3283]. In conjunction with the Objection, MLPF&S respectfully state as follows:

1. MLPF&S is a bondholder defendant in Adv. Proc. No. 19-00282 (LTS) (“Bondholder Litigation”). The complaint in the Bondholder Litigation seeks, in part, the return of principal and interest from bondholders of General Obligation and Public Building Authority bonds.

2. MLPF&S hereby joins the Objection as to the arguments that (I) the Disclosure Statement fails to provide adequate information as required by Bankruptcy Code Section 1125 about the Plan’s release and injunction provisions (“Non-Consensual Releases”) and (II) the Disclosure Statement cannot be approved because the plan is unconfirmable due to the Non-Consensual Releases and the Plan’s purported elimination of adversary proceeding defendants’ rights, remedies, and defenses, including rights of setoff and recoupment, reimbursement, apportionment of fault, and judgment reduction.

3. MLPF&S reserves its rights to further amend, modify, or supplement this Joinder, and adopt any argument that it has not expressly joined in the future in this or other proceedings.

WHEREFORE, MLPF&S respectfully requests this Court: (i) deny the Disclosure Statement Motion unless the Disclosure Statement and Plan are modified as set forth in the

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Objection.

Objection, including as it relates to the Bondholder Litigation as set forth herein; and (ii) grant such other further relief as this Court deems just and proper.

Dated: June 15, 2021

Respectfully submitted,

MERRILL LYNCH, PIERCE, FENNER & SMITH INC.

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